

By: Fletcher

H.B. No. 3964

A BILL TO BE ENTITLED

AN ACT

relating to the consideration by employers of the consumer credit reports or other credit information of applicants for employment who are recently returned veterans.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 52, Labor Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. CONSIDERATION OF CONSUMER CREDIT REPORTS OF CERTAIN VETERANS

Sec. 52.081. DEFINITIONS. In this subchapter:

(1) "Applicant" means a person who has made an oral or written application with an employer, or has sent a resume or other correspondence to an employer, indicating an interest in employment.

(2) "Commission" means the Texas Workforce Commission.

(3) "Consumer" means an individual whose credit information is used or whose credit score is computed.

(4) "Consumer reporting agency" means any person that, for monetary fees or dues or on a cooperative nonprofit basis, regularly engages in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties.

(5) "Credit information" means any credit-related

1 information derived from a credit report or found in a credit  
2 report. The term does not include information that is not  
3 credit-related, regardless of whether that information is  
4 contained in a credit report.

5 (6) "Credit report" means any written, oral, or other  
6 communication of information by a consumer reporting agency that  
7 bears on a consumer's creditworthiness, credit standing, or credit  
8 capacity.

9 (7) "Employer" has the meaning assigned by Section  
10 [21.002](#).

11 (8) "Recently returned veteran" means a veteran who  
12 was honorably discharged not more than two years before the date of  
13 an employment application.

14 (9) "Veteran" has the meaning assigned by 38 U.S.C.  
15 Section 101(2).

16 Sec. 52.082. RULES. The commission may adopt rules as  
17 necessary to implement this subchapter.

18 Sec. 52.083. CONSIDERATION OF RECENTLY RETURNED VETERAN'S  
19 CREDIT INFORMATION PROHIBITED. In making an employment decision  
20 regarding an applicant who is a recently returned veteran, an  
21 employer may not consider the applicant's credit report or other  
22 credit information.

23 SECTION 2. This Act applies only to an adverse employment  
24 action that is taken by an employer against an applicant for  
25 employment on or after January 1, 2016. Action taken by an employer  
26 that occurs before January 1, 2016, is governed by the law in effect  
27 immediately before the effective date of this Act, and the former

1 law is continued in effect for that purpose.

2 SECTION 3. This Act takes effect September 1, 2015.